

SENATE BILL NO. 278

INTRODUCED BY BLACK, BRUEGGEMAN, COCCHIARELLA, ESSMANN

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A SPECIAL PRACTICE PERMIT FOR ~~CERTAIN~~ NONRESIDENT CERTIFIED PUBLIC ACCOUNTANTS; PROVIDING CRITERIA FOR OBTAINING THE SPECIAL PRACTICE PERMIT; REQUIRING REGISTRATION WITH THE BOARD OF PUBLIC ACCOUNTANTS ~~UNLESS EXEMPT~~; PROHIBITING THE PRACTICE OF PUBLIC ACCOUNTING BY ~~CERTAIN~~ NONRESIDENTS WITHOUT REGISTRATION; ~~AND, NOTIFICATION, OR A PERMIT;~~ AND AUTHORIZING THE BOARD TO ADOPT RULES IMPLEMENTING PROCEDURES AND FEES FOR SPECIAL PRACTICE PERMITS AND REGISTRATION BY ~~CERTAIN~~ NONRESIDENT CERTIFIED PUBLIC ACCOUNTANTS; ~~AND AMENDING SECTION 37-50-314, MCA.~~"

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Special practice permit for nonresident certified public accountant

~~EXEMPTION~~ -- rules. (1) A person ~~NOT OTHERWISE LICENSED OR EXEMPT UNDER THIS PART~~ may obtain a special practice permit if the person:

(a) is not a Montana resident;

(b) does not maintain an office in Montana;

(c) is licensed, under an active status license, to practice public accounting as a certified public accountant in one or more jurisdictions recognized by the board as having licensing standards substantially equivalent to the standards authorizing the practice of public accounting in this state; and

(d) has not had an adverse disciplinary action taken against the person for the practice of public accounting by any other jurisdiction.

(2) A person who obtains a special practice permit:

(a) is subject to the disciplinary authority of the board for acts performed pursuant to this section in this state; and

(b) consents to the appointment of the board of accountancy or a corresponding entity of the jurisdiction in which the person was issued a license to practice public accounting as a certified public accountant as the person's agent for the service of process in any action or proceeding by the board of this state against the

1 person.

2 (3) A special practice permit issued under this section may be renewed on an annual basis in the
3 manner prescribed by the board by rule.

4 ~~—— (4) A NONRESIDENT CERTIFIED PUBLIC ACCOUNTANT WHO IS LICENSED IN GOOD STANDING BY A JURISDICTION~~
5 ~~RECOGNIZED BY THE BOARD AS HAVING LICENSING STANDARDS SUBSTANTIALLY EQUIVALENT TO THE STANDARDS~~
6 ~~AUTHORIZING THE PRACTICE OF PUBLIC ACCOUNTING IN THIS STATE MAY:~~

7 ~~—— (A) PRACTICE WITHOUT BEING LICENSED IN THIS STATE OR OBTAINING A SPECIAL PERMIT FROM THIS STATE IF THE~~
8 ~~CERTIFIED PUBLIC ACCOUNTANT NOTIFIES THE BOARD AND PROVIDES THE CERTIFIED PUBLIC ACCOUNTANT'S NAME,~~
9 ~~CURRENT ADDRESS, LICENSE NUMBER, AND JURISDICTION IN WHICH THE PERSON IS LICENSED; OR~~

10 ~~—— (B) PREPARE FEDERAL OR STATE INCOME TAX RETURNS FOR A MONTANA RESIDENT IF THE CERTIFIED PUBLIC~~
11 ~~ACCOUNTANT DOES NOT PHYSICALLY COME TO MONTANA TO PREPARE THE TAX RETURNS.~~

12 ~~(4)(5)(4)~~ The board may adopt rules, including rules establishing fees that are commensurate with costs,
13 to implement [section 2] and this section.

14
15 **NEW SECTION. Section 2. Nonresident registration.** (1) A person, firm, partnership, corporation,
16 or other business entity that ~~IS NOT EXEMPT UNDER [SECTION 1(4)] AND THAT~~ offers to engage in or engages in
17 public accounting services in Montana through a person holding a special practice permit shall register with the
18 board.

19 (2) (a) A person with a special practice permit engages in unprofessional conduct if the person offers
20 services for or on behalf of a person, firm, partnership, corporation, or other business entity that is not registered
21 with the board pursuant to 37-50-335 or ~~SUBSECTION (1) OF~~ this section.

22 (b) A person, firm, partnership, corporation, or other business entity may not lawfully engage in or assist
23 in providing public accounting services in this state unless ~~EXEMPT UNDER [SECTION 1(4)] OR~~ properly registered
24 with the board under 37-50-335 or this section.

25
26 ~~—— **SECTION 3. SECTION 37-50-314, MCA, IS AMENDED TO READ:**~~

27 ~~—— **"37-50-314. Permit required -- display.** (1) A ~~Except as provided in subsection (3), a person may not~~~~
28 ~~engage in the practice of public accounting in this state without a current permit issued by the department. A~~
29 ~~permit to engage in the practice of public accounting in this state must be issued by the department to a person~~
30 ~~who holds a current certificate as a certified public accountant or license as a licensed public accountant and~~

1 ~~complies with the requirements of this chapter.~~

2 ~~——— (2) The current permit to engage in the practice of public accounting must be prominently displayed for~~
3 ~~public inspection.~~

4 ~~——— (3) A certified public accountant who is preparing federal or state income tax returns for a Montana~~
5 ~~resident and who does not physically come to Montana to prepare the tax returns does not need a permit under~~
6 ~~this section and is not required to notify the board as provided in [section 2]."~~

7
8 NEW SECTION. **Section 3. Codification instruction.** [Sections 1 and 2] are intended to be codified
9 as an integral part of Title 37, chapter 50, part 3, and the provisions of Title 37, chapter 50, part 3, apply to
10 [sections 1 and 2].

11 - END -